

Office of the
Legislative Fiscal Analyst

FY 2002 Budget Recommendations

Joint Appropriations Subcommittee for
Natural Resources

Committee Summary

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January 2001

Sun	Mon	Tue	Wed	Thu	Fri	Sat
14	15	16	17	18	19	20
	First Day of Session		(3:00 p.m.) Introductions, Discussion of Budget & Issues		Department of Agriculture and Food	
21	22	23	24	25	26	27
	Department of Natural Resources Administration		Utah Geological Survey		Forestry, Fire & State Lands	
28	29	30	31			
	Parks & Recreation		Wildlife Resources			

Natural Resources Appropriations Subcommittee

**All Meetings at 2:00 in
Capitol Room #305
unless noted otherwise**

February 2001

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
					Water Resources	
4	5	6	7	8	9	10
	Water Rights; Oil, Gas & Mining		School & Inst. Trust Lands Administration		FY 2001 Supplementals; Finalize Committee Recommendations	
11	12	13	14	15	16	17
	Exec. Approp.	Exec. Approp.	Exec. Approp.	Exec. Approp.	Exec. Approp.	
18	19	20	21	22	23	24
			Final Decisions on Appropriations Bills		Vote on Bond Bill, Pass or Defeat all Bills >= \$10,000	
25	26	27	28			
	Vote on Gen Approp, Supp. Approp., School Finance Bills		Vote on Second Supp. Bill; Last Day of Session			

Senate:
Parley Hellewell, Chair
Bill Wright
Ron Allen

House:
Mike Styler, Chair
Craig Butters
Ben Ferry
Brad Johnson
Brent Parker
Darin Peterson
Carl Duckworth
Fred Fife
Jim Gowans

Staff:
Steve Allred, Analyst
538-1034
Vaneen Bitton, Sec.
538-1605



1.0 Summary: Natural Resources Appropriations Subcommittee

Overview

The Natural Resources Appropriations Subcommittee reviews the budgets for three state agencies, and then approves a budget for each. This recommendation is then made to the Executive Appropriations Committee and the whole Legislature for final approval. The agencies for which this subcommittee is responsible are:

- Department of Agriculture and Food
- Department of Natural Resources
- School and Institutional Trust Lands Administration

The Executive Appropriations Committee has allocated General Funds of \$45,358,200 to the Natural Resources Appropriations Subcommittee. This number was derived by taking the FY 2001 ongoing appropriation and adjusting for centralized services, as follows:

FY 2001 ongoing appropriation:	\$45,971,200
Retirement rate reductions	(633,800)
Internal service fund rate changes	20,800
Subtotal base:	\$45,358,200
Transfer of Veterans Cemetery to National Guard	(138,000)
Transfer of revenues from CIO for 800 MHz radios	34,500
Total base plus adjustments:	<u>\$45,254,700</u>

The Analyst's base recommendation reflects the retirement and internal service fund adjustments. Compensation package adjustments, including insurance benefits, are not included in the Analyst's recommendations. The Executive Appropriations Committee and the full Legislature will add these in later. The subcommittee may have additional non-compensation package items that it will want to fund. In that case, the subcommittee can reprogram funds within the base, or construct a prioritized list of issues in case funds become available later. The Analyst will present some recommendations for funding should funds become available.

In preparing for this legislative session, the Analyst has reviewed each budget, visited with the agencies, and analyzed the agency requests and the Governor's recommendations. After reviewing the requests, the Analyst has recommended those budget increases or decreases which seem essential to programs and appear to be the most cost-effective.

Recommendation

The Analyst recommends a total FY 2002 budget of \$157,866,300. This includes \$67,800 in budget changes. The total General Fund recommendation for FY 2002 is \$45,254,700. However, this report includes recommendations for additional funding, should funding be made available to the subcommittee.

The recommendations, by fund and by agency, are found on the following pages. Further detail on each agency is found under the respective tabs and will be discussed during the budget hearings.

**Intent Language
Review**

The Fiscal Analyst is required by statute to review all intent language written in the appropriations acts and report on them to the Legislature. A good deal of intent language was written that directs the Department of Finance to make appropriations nonlapsing. In order to avoid reviewing each piece of intent language that deals with nonlapsing authority, the Analyst reports now that in every instance the monies were used and accounted for in accordance with the intent language.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
General Fund	45,358,200	(103,500)	45,254,700
Federal Funds	20,661,500		20,661,500
Dedicated Credits Revenue	15,120,700	(21,000)	15,099,700
Dedicated Credits - Intragovernmental Re	5,523,500		5,523,500
Sale of Fixed Assets	67,000		67,000
Federal Mineral Lease	800,200		800,200
GFR - Boating	3,107,300	60,000	3,167,300
GFR - Horse Racing	50,000		50,000
GFR - Livestock Brand	648,500		648,500
GFR - Off-highway Vehicle	1,978,100		1,978,100
GFR - Oil & Gas Conservation Account	1,343,000		1,343,000
GFR - Sovereign Land Mgt	1,534,100	20,000	1,554,100
GFR - Species Protection	324,100		324,100
GFR - State Fish Hatch Maint	1,000,000		1,000,000
GFR - TB & Bangs Control	6,800		6,800
GFR - Wildlife Damage Prev	500,700		500,700
GFR - Wildlife Habitat	2,380,100		2,380,100
GFR - Wildlife Resources	22,143,900		22,143,900
Agri Resource Development	531,200		531,200
Designated Sales Tax	7,550,000		7,550,000
Land Grant Mgt Fund	8,359,700	112,300	8,472,000
Oil Overchg - Stripper Well	500,000		500,000
Utah Rural Rehab Loan	18,000		18,000
Water Resources C&D	5,539,600		5,539,600
Water Res Construction	150,000		150,000
Transfers	(4,572,300)		(4,572,300)
Repayments	15,820,100		15,820,100
Beginning Nonlapsing	5,426,500		5,426,500
Closing Nonlapsing	(4,072,000)		(4,072,000)
Total	\$157,798,500	\$67,800	\$157,866,300
Programs			
School & Inst Trust Lands	8,359,700	112,300	8,472,000
Natural Resources	129,179,500	(56,500)	129,123,000
ISF - Natural Resources	5,338,900		5,338,900
Agriculture	14,668,800	12,000	14,680,800
ISF - Agriculture	251,600		251,600
Total	\$157,798,500	\$67,800	\$157,866,300
FTE/Other			
Total FTE	1,490	1	1,491
Vehicles	842		842

4.0 Additional Information: Natural Resources Appropriations Subcommittee

4.1 Funding History

	1998	1999	2000	2001	2002
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	42,216,000	44,030,700	44,869,400	45,971,200	45,254,700
General Fund, One-time	2,076,000		1,397,000	345,000	
Federal Funds	17,389,100	17,219,500	20,826,000	20,763,800	20,661,500
Dedicated Credits Revenue	10,468,300	12,032,600	12,975,400	12,389,300	15,099,700
Dedicated Credits - Intragovernmental Re	3,637,900	4,624,400	4,612,800	5,413,900	5,523,500
Sale of Fixed Assets	59,300	44,700	55,200	37,100	67,000
Federal Mineral Lease	685,900	607,900	712,200	790,200	800,200
GFR - Boating	3,430,400	3,404,900	4,410,600	3,149,900	3,167,300
GFR - Horse Racing	50,000	50,000	50,000	50,000	50,000
GFR - Livestock Brand	607,900	632,000	681,200	737,500	648,500
GFR - Off-highway Vehicle	1,451,700	1,801,700	2,204,500	1,997,300	1,978,100
GFR - Oil & Gas Conservation Account				1,373,600	1,343,000
GFR - Sovereign Land Mgt	1,022,000	1,211,800	1,232,700	1,421,700	1,554,100
GFR - Species Protection		150,000	324,100	324,100	324,100
GFR - State Fish Hatch Maint		500,000	1,000,000	1,000,000	1,000,000
GFR - TB & Bangs Control	6,800	10,000	6,800	10,000	6,800
GFR - Wildlife Damage Prev	474,500	478,000	493,200	506,200	500,700
GFR - Wildlife Habitat	2,645,100	2,359,300	2,371,900	2,383,800	2,380,100
GFR - Wildlife Resources	20,094,300	20,691,700	21,321,100	22,479,500	22,143,900
Agri Resource Development	529,600	530,500	435,800	531,200	531,200
Designated Sales Tax	8,786,700	8,576,500	8,193,500	8,700,000	7,550,000
Fixed Collections	1,253,600	1,049,300	1,321,600		
Land Grant Mgt Fund	8,263,200	7,360,500	4,783,500	8,437,700	8,472,000
Oil Overchg - Stripper Well	350,000	350,000	350,000	500,000	500,000
Olympic Special Revenue				700,000	
Utah Rural Rehab Loan	18,000	18,000	18,000	18,000	18,000
Water Resources C&D	7,864,300	8,420,700	8,511,000	8,575,600	5,539,600
Water Res Construction	150,000	150,000	150,000	150,000	150,000
Water Res Investigation	488,500				
Transfers	(4,904,500)	(7,021,700)	(5,853,300)	(7,267,800)	(4,572,300)
Transfers - Fed Pass-thru	29,300	31,100			
Pass-through	50,000	32,300			
Repayments	13,468,800	15,995,400	14,587,400	14,386,400	15,820,100
Beginning Nonlapsing	27,713,900	33,191,100	31,313,600	22,243,000	5,426,500
Closing Nonlapsing	(33,191,200)	(31,313,500)	(22,243,100)	(5,426,500)	(4,072,000)
Lapsing Balance	(6,153,600)	(6,028,900)	(2,193,700)		
Total	\$131,031,800	\$141,190,500	\$158,918,400	\$172,691,700	\$157,866,300
Programs					
School & Inst Trust Lands	4,768,300	5,628,100	4,783,500	8,437,700	8,472,000
Natural Resources	110,307,500	117,634,900	135,154,700	141,764,800	129,123,000
ISF - Natural Resources	3,459,900	4,436,400	4,393,900	5,199,400	5,338,900
Agriculture	12,258,800	13,258,400	14,312,200	17,038,200	14,680,800
ISF - Agriculture	237,300	232,700	274,100	251,600	251,600
Total	\$131,031,800	\$141,190,500	\$158,918,400	\$172,691,700	\$157,866,300
FTE/Other					
Total FTE	1,500	1,475	1,464	1,495	1,491

4.4 Additional Information

The Office of the Legislative Fiscal Analyst is a non-partisan office that serves both houses of the Legislature in preparing a budget and determining the fiscal impact of proposed legislation and making independent budgetary recommendations to the Legislature. The Legislature, after reviewing the recommendations, then approves a budget by passing an Appropriation Act that determines the level of the budget for each program.

The state does not budget on the calendar year, but on what is termed a Fiscal Year, which is the twelve-month period from July 1 to June 30 of the following year. A Fiscal Year is usually abbreviated FY, with the number which follows designating the year which includes the second six months. The current fiscal year is FY 2000, which will end June 30, 2000. The fiscal year for which the Legislature is determining the budget is FY 2001, which will include the period of time from July 1, 2000 to June 30, 2001. Budgeting includes the allocation of resources (money) to different programs.

In allocating funds to the Natural Resources agencies, the Appropriations Subcommittee may use funding from several sources to complete the full appropriation to each. The following sources of funding are available:

- General Funds
- Federal Funds
- Dedicated Credits
- Restricted General Funds
- Land Grant Management Fund
- Other Funds

The following explanations may help to understand the different funds:

State General Fund

This is the state's most important source of income. The primary revenue source is the sales tax, although there are other taxes and fees which are deposited into this fund. General Funds may be spent at the discretion of the Legislature, as the Constitution allows. Personal income taxes and corporate franchise taxes are not deposited into the General Fund, but into the Uniform School Fund.

Federal Funds

Federal funds are those funds which come to the state from the federal government. Generally, federal funds are accompanied by certain requirements. Each grant may have different rules about how it may be spent. A common requirement is some form of state match in order to receive the federal dollars. In such cases, federal funding may be reduced

if a state program is reduced. There is also the possibility, that due to outside circumstances, federal funding may be reduced or eliminated. If this happens, most agencies will request that state funds replace the lost federal funds. However, this is not generally recommended. Programs that receive federal funds will have a special Federal Funds sheet showing matching requirements and levels.

Dedicated Credits

Dedicated Credits are funds that are paid to an agency for specific services and are dedicated to paying for the expenses of providing that service. For example, money paid as admission to the state parks goes to the Division of Parks and Recreation to help pay for expenses. By law, these funds must be spent before other appropriated state funds are spent. It should be noted that an agency must estimate the level of its service for the following fiscal year, and thus its level of Dedicated Credits.

Restricted General Funds

Restricted revenue can only be used for a designated purpose. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for specific purposes. For example, the Utah Code establishes a separate fund for the Division of Wildlife Resources, with revenue coming from the sale of licenses. These funds are restricted for the use of the division.

Land Grant Management Fund

An expendable trust fund consisting of:

1. Revenue derived from trust lands, except revenues from the sale of those lands.
2. Interest earned by the fund.
3. Revenues obtained from other activities of the Director or administration.

One of the purposes of this fund is to support the School and Institutional Trust Lands Administration.

Other Funds

Several other small funds are used by certain agencies. These will be discussed in further detail as the budgets are presented. Lapsing funds, however, should be addressed. Funds lapse, or revert back to the state, if the full appropriation is not spent by the end of the fiscal year. Since it is against the law to spend more than the Legislature has appropriated, all programs will either spend all the money or have some left over. The funds left over lapse to the state, unless specifically exempted. Those exceptions include funds that are setup as non-lapsing. In these cases, left over funds do not lapse back to the state, but remain with the agency in a special nonlapsing balance, for use in the next fiscal year. In the budgets, the Beginning Non-Lapsing balance is the balance on July 1, while the

balance on the next June 30 is termed the Closing Non-Lapsing balance. The Closing Non-Lapsing balance from one fiscal year becomes the Beginning Non-Lapsing balance of the following fiscal year. The reasoning behind non-lapsing funds is that a specific task may take an indeterminate amount of time, or span more than one fiscal year. By allowing departments to keep their unexpended funds, the state not only eliminates the rush to spend money at the end of a fiscal year, but also encourages managers to save money.

Expenditure categories used by the state are:

Personal Services

Includes employee compensation and benefits such as health insurance, retirement, and employer taxes.

Current Expenses

Includes general expenses such as utilities, subscriptions, communications, postage, professional and technical services, maintenance, laundry, office supplies, small tools, etc. that cost less than \$5,000 or are consumed in less than one year.

Data Processing Current Expenses

Includes items such as small computer hardware and software, port charges, programming, training, supplies, etc.

Capital Outlays

Includes items that cost over \$5,000 and have a useful life greater than one year.

Pass Through

Includes funds passed on to other non-state entities for use by those entities, such as grants to local governments.

Other Budgeting terms and concepts that the Legislature will encounter include the following:

Performance Measures

In recent years, performance based budgeting has received more attention as citizens and decision-makers demand evidence of improved results from the use of tax dollars.

Care must be exercised in crafting performance measures to avoid misdirected results. Moving to performance based budgeting is a long term commitment. The Analyst has drafted some ideas for performance measures in the write-up, however, it is recognized that the measures are a work in progress and that long-term tracking of measures would require a statewide commitment in both the executive and legislative branches.

Intent Language

Intent language may be added to an appropriation bill to explain or put conditions on the use of the funds in the line item. Intent language may restrict usage, require reporting, or impose other conditions within the item of appropriation. However, intent language cannot contradict or change statutory language.

Supplemental Appropriation

The current legislative session is determining appropriations for the following fiscal year. However, it may be determined that unexpected circumstances have arisen which require additional funding for the current year. The Appropriations Subcommittee can recommend to the Executive Appropriations Committee that a supplemental appropriation be made for the current fiscal year.

FTE

FTE is an abbreviation for Full Time Equivalent. This is a method of standardizing personnel counts. A full time equivalent is equal to one employee working 40 hours per week. Ten employees each working four hours per week would also count as 1 FTE.

Line Item

This is a term that applies to an appropriation bill. A line number in the appropriations bill identifies each appropriated sum. Generally, each line item appropriation goes to an agency that may have several programs. Once the appropriation becomes law, the money may be moved from program to program within the line item, but cannot be moved to another line item of appropriation.

A complete list, by line item, of the agencies for which the Natural Resources Subcommittee is responsible follows.

Department of Agriculture - General Administration
Administration
Meat Inspection
Chemistry Laboratory
Animal Health
Agriculture Inspection
Food and Dairy

Weights and Measures

Department of Agriculture - Marketing and Development

Administration

Resource Conservation and Development

Marketing and Promotion

Utah Horse Commission

Market News

Public Affairs

Research

Department of Agriculture - Agriculture Loans

Agriculture Loan Program

Department of Agriculture - Brand Inspection

Brand Inspection

Department of Agriculture - Predatory Animal Control

Predatory Animal Control

Department of Agriculture - Auction Market Veterinarians

Auction Market Veterinarians

Department of Agriculture - Sheep Promotion

Sheep Promotion

Department of Agriculture - Soil Conservation District Commission

Soil Conservation District Commission

Department of Agriculture - Grain Inspection

Grain Inspection

Department of Agriculture - Environmental Quality

Environmental Quality

Department of Agriculture - Insect Infestation

Insect Infestation

Department of Agriculture - Resource Conservation

Resource Conservation (Soil Conservation Districts)

Department of Agriculture

Agriculture Building Operations and Maintenance

Department of Agriculture

Data Processing Internal Service Fund

Department of Natural Resources - Department Administration

- Executive Director
- Administrative Services
- Energy Resource Planning
- Public Affairs
- Law Enforcement
- Bear Lake Commission

Department of Natural Resources - Species Protection

- Species Protection

Department of Natural Resources - Internal Service Fund

- Warehouse
- Motor Pool
- Data Processing

Department of Natural Resources

- Building Operations and Maintenance

Department of Natural Resources - Division of Forestry, Fire and State Lands

- Director's Office
- Administrative Services
- Planning and Technology Transfer
- Technical Assistance and Consultation
- Program Delivery
- Technical Assistance and Consultation - Lone Peak
- Program Delivery - Cooperators
- Fire Suppression Program

Department of Natural Resources - Division of Oil, Gas and Mining

- Administration
- Board
- Oil and Gas Conservation
- Minerals Reclamation
- Coal Reclamation
- Abandoned Mines

Department of Natural Resources - Division of Utah Geological Survey

- Administration
- Technical Services
- Applied Geology
- Geologic Extension Service
- Board
- Geologic Mapping

Economic Geology
Environmental

Department of Natural Resources - Division of Water Resources

Administration
Board
Interstate Streams
Cloud Seeding
Cities Water
Construction
Planning
West Desert Operations
Bear River / Wasatch Front
Water Education
C.U.P. Mitigation

Department of Natural Resources - Division of Water Resources

Water Education/Conservation Non-Lapsing

Department of Natural Resources - Division of Water Rights

Administration
Appropriation
Dam Safety
Adjudication
Cooperative Studies
Special Investigations
Advertising
Area Offices
River Systems

Department of Natural Resources - Division of Wildlife Resources

Administration
Fiscal Management
Information and Education
Law Enforcement
Habitat Projects
Habitat Management
Board
Fisheries Management
Fish Culture
Fish Experiment Station
Fish Habitat
Big Game
Native Wildlife
Small Game
Waterfowl

Hunter Education
Hardware Ranch
Aquatic Native Wildlife

Department of Natural Resources - Wildlife Resources Cooperative
Environmental Studies
Cooperative Studies

Department of Natural Resources - Wildlife Resources Contributed
Research
Contributed Research

Department of Natural Resources - Wildlife Resources Predator Control
Predatory Animal Control

Department of Natural Resources - Wildlife Resources Reimbursement
Wildlife Resources Reimbursement

Department of Natural Resources - Division of Parks and Recreation
Director / Government Relations
Administration
Law Enforcement
Accounting and Grants
Board
Park Operations
Design and Construction
Reservations
OHV and Trails Administration
Boating
Comprehensive Planning

Capital Facilities - Natural Resources
Department of Natural Resources - Water Resources Cities Water Loan
Fund
Cities Water Loan Fund

Department of Natural Resources - Water Resources Revolving
Construction Fund
Revolving Construction Fund

Department of Natural Resources - Water Resources Conservation and
Development Fund
Conservation and Development Fund

Department of Natural Resources - Division of Wildlife Resources -
Capital Budget

Information and Education
Fisheries
Game Management

Department of Natural Resources - Division of Parks and Recreation -
Capital Budget

Riverway Enhancement
Facilities Acquisition and Development
Boating Access Grants
Trails Grants
Off-Highway Trails
Donated Capital Projects
Land and Water Conservation Fund
Region Roads and Renovation
National Recreation Trails

School and Institutional Trust Lands Administration

Administration
Board
Director
Accounting
Royalty
Minerals
Surface
Forestry and Grazing
Development (Operations)
Development (Capital)
Legal / Contracts
Data Processing